

sooner or later you're going to be talking about rationing health care around here. You know you've got rich sick people and you've got poor sick people, you've got those in between who pay the bills, then you're going to have a serious problem. In another year or two from now you might have to seriously consider giving the limited dollars we have, who you're going to be able to treat or not. So keep that mind as you deregulate anything and in particular the health care industry.

SENATOR HANNIBAL PRESIDING

SENATOR HANNIBAL: Thank you, Senator Lynch. Senator Labeledz, please.

SENATOR LABEDZ: Thank you, Mr. President. Some time in January of 1989 I wrote a letter to the Federal Trade Commission in Washington, D.C., in regard to the certificate of need and they sent me back a 13-page reply. I'm not going to stand here and read you 13 pages, but there are some things that I would like to read to you in their reply and this is from the United States Federal Trade Commission. For the reasons discussed below, we believe that Nebraska's current CON regulatory process may unbalance, harm health care consumers. While we believe the outright repeal of CON regulation, health care consumers, we believe that passage of either of the other CON reform bills would likely also have significant positive effects on health care markets in Nebraska. I will go to the last page and read their conclusion. We believe that the continued existence of CON regulations would be contrary to the interests of health care consumers in Nebraska. Ongoing changes in the health care financing system, including prospective payment mechanism and increased consumer price, sensitivity fostered by private insurers are eliminating the principal concerns that prompted the certificate of need regulation. Moreover, the CON regulatory process does not appear to serve its intended purpose of controlling health care costs. Indeed, CON regulation may be counterproductive because it interferes with competitive market forces that would otherwise help contain costs. CON regulation tends to foster higher prices, lower quality and reduced innovation in health care markets. The elimination of such regulation as proposed in LB 745, and that was the repeal of CON and it was in committee and it was indefinitely postponed, or its substantial liberalization as proposed in LB 429, and to a lesser extent in 439, would be likely to benefit the Nebraska health care consumers. Thank you very much.